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54th

Annual Report
1965



THE
STERLING TRUSTS
CORPORATION



MAY 24 1967

DIRECTORS

Chairman of the Board

RAY T. BIRKS, Q.C. - - - - - Toronto, Ont.

President

NIELS F. PETERSEN - - - - - Toronto, Ont.

Vice-Presidents

ROBERT BIGELOW, Q.C. - - - - - Toronto, Ont.

H. T. BURGESS - - - - - Toronto, Ont.

E. R. MEREDITH - - - - - Toronto, Ont.

S. B. ADAMS, C.A. - - - - - Toronto, Ont.

WALTER A. DILWORTH - - - - - Toronto, Ont.

R. I. HENDY, Q.C. - - - - - Toronto, Ont.

LORNE JOHNSON - - - - - Regina, Sask.

H. D. LANGDON, Q.C. - - - - - Toronto, Ont.

JAS. R. LOVATT - - - - - Toronto, Ont.

CHAS. J. SEAGRAM, Q.C. - - - - - Barrie, Ont.

ARTHUR W. WHITE - - - - - Toronto, Ont.

T. GORDON TAYLOR - - - - - General Manager

Auditors

MESSRS. PEAT, MARWICK, MITCHELL & CO.

INCORPORATED IN NINETEEN HUNDRED AND ELEVEN

EXECUTIVE COMMITTEE

N. F. PETERSEN

R. I. HENDY, Q.C.

ROBERT BIGELOW, Q.C.

H. T. BURGESS

E. R. MEREDITH

S. B. ADAMS, C.A.

H. D. LANGDON, Q.C.

OFFICERS

R. T. BIRKS, Q.C.
CHAIRMAN OF THE BOARD

N. F. PETERSEN
PRESIDENT

H. T. BURGESS
VICE-PRESIDENT

ELTON R. MEREDITH
VICE-PRESIDENT

ROBERT BIGELOW, Q.C.
VICE-PRESIDENT

T. GORDON TAYLOR
GENERAL MANAGER

DENNIS W. JONES, F.C.I.S.
TREASURER

F. C. BEVERIDGE
SECRETARY

LANGTON MARTIN
MANAGER, STOCK TRANSFER DEPARTMENT

ARTHUR IVINEY
MANAGER, MORTGAGE DEPARTMENT

J. A. D. LITTLE
MANAGER, GUARANTEED TRUST DEPARTMENT

A. G. HAWTHORNE, C.G.A.
ACCOUNTANT

T. J. F. ROSS
SECURITIES OFFICER

W. A. WARD
TRUST OFFICER

SPECIAL REPRESENTATIVES

C. LESLIE CHITTICK

A. L. SMOKE

R. E. WHITE

H. A. SCHONDELMAYER

To the Shareholders:

The Fifty-Fourth Annual Report of the Corporation covering its operations for the year 1965 is submitted for your approval.

Profits before taxes of \$443,065 for 1965 are slightly less than \$450,887 for 1964. The provision for income taxes (including tax applicable to mortgage reserve) in 1965 of \$182,500, compared with \$196,000 in 1964, results in net profit for the year, after income taxes of \$260,565 in 1965, compared with \$254,887 in 1964.

For the first time in the Corporation's history the combined assets of the Capital, Guaranteed Trust and Estates, Trusts and Agency accounts exceeds \$50,000,000. This represents an increase of 7.5%. You will observe that in the year 1965 a transfer to the mortgage reserve of \$94,000 was made, bringing the mortgage reserve to \$175,000 and that after a transfer of \$25,000 to the general reserve, this account now stands at \$1,375,000.

The following is a summary of the Profit and Loss Account with comparative figures for the preceding year:

	1965	1964
Profit for the year before income taxes but after deducting costs of operations and depreciation.....	\$443,065	\$450,887
Provision for income taxes (including tax applicable to mortgage reserve)...	182,500	196,000
Net profit for the year.....	260,565	254,887
Balance forward from previous year.....	53,663	61,577
	<u>\$314,228</u>	<u>\$316,464</u>
APPROPRIATED AS FOLLOWS:		
Transfer to mortgage reserve (Note):.....	\$ 94,000	\$ 43,000
Less income taxes applicable.....	49,000	22,000
	45,000	21,000
Dividends to shareholders.....	191,801	191,801
Transfer to reserve fund.....	25,000	50,000
Balance carried forward.....	52,427	53,663
	<u>\$314,228</u>	<u>\$316,464</u>

NOTE: The transfer to mortgage reserve during 1965 would have been \$47,000 if computed on the same basis as in prior years. However, the Corporation has taken advantage of recent amendments to the Income Tax Act which permits this transfer to be made at a greater rate.

The quarterly dividend rate was maintained at forty cents and in addition, as in 1965, a ten cent bonus was paid on January 3, 1966.

Due to the fine efforts of Mr. Hewitt, Mr. White and other members of the Orillia staff, we have had a most gratifying experience in the community, which would indicate that this branch will, in the not too distant future, contribute to the profits of your Corporation. The building in Orillia is now fully rented, which has reduced the cost of carrying these premises considerably.

The Barrie Branch, under the able direction of Mr. Shute, continues to generate increased volume of business and in no small way contributes to the over-all profit of your Corporation.

Higher interest rates and the general tight money position created unusual problems for financial institutions during the latter months of 1965. Your Directors, therefore, deemed it advisable, in view of the financial difficulties experienced by some institutions, to maintain a higher liquid position, which, as you will see, is reflected in the amount of cash on hand and deposit at the year end.

Mr. John Hallam and Mr. J. M. Smillie resigned from the Board of Directors and a debt of gratitude is due to them for their contribution to the growth of the Corporation for many years.

Mr. E. R. Meredith, retired as Managing Director as at December 31, 1965. However, he was elected Vice-President, in which capacity we hope we will benefit from his advice and experience for many years to come.

Mr. T. Gordon Taylor, who has been employed by the Corporation for many years and who has a vast knowledge of the Corporation's affairs, has been appointed General Manager.

TORONTO, January 25, 1966

N. F. PETERSEN, *President.*

THE STERLING TRUSTS CORPORATION

ASSETS

	1965	1964	Capital
Securities, including accrued interest (Note):			
Provincial guaranteed bonds - - - - -	\$ 54,212	\$ 100,007	
Canadian municipal bonds - - - - -	1,165,268	798,088	
Canadian corporation bonds - - - - -	108,318	161,126	
Stocks - - - - -	746,108	590,144	
	<u>2,073,906</u>	<u>1,649,365</u>	
Cash on hand and in banks - - - - -	74,423	129,500	
Loans on bonds and stocks - - - - -	73,658	50,707	
Advances to estates - - - - -	64,229	56,144	
Mortgages, including interest due and accrued - - - -	307,555	246,119	
Real estate held for sale - - - - -	10,638	380,544	
Office premises and equipment, less amounts written off -	217,828	229,254	
Other assets - - - - -	3,712	3,632	
	<u>\$ 2,825,949</u>	<u>\$ 2,745,265</u>	

			Guaranteed
Securities, including accrued interest (Note):			
Government of Canada and Provincial guaranteed bonds - - - - -	\$ 2,001,453	\$ 1,949,854	
Canadian municipal bonds - - - - -	4,170,612	4,185,199	
Canadian corporation bonds - - - - -	1,184,079	1,102,733	
Stocks - - - - -	252,412	327,425	
	<u>7,608,556</u>	<u>7,565,211</u>	
Cash on hand and in banks - - - - -	907,302	639,312	
Loans on bonds and stocks - - - - -	308,665	257,565	
Mortgages, including interest due and accrued - - - -	22,285,091	20,462,757	
	<u>\$31,109,614</u>	<u>\$28,924,845</u>	
Total Capital and Guaranteed Assets - - - - -	<u>\$33,935,563</u>	<u>\$31,670,110</u>	

			Estates, Trusts and
Funds, investments and book value of assets held for administration, realization and distribution - - - -	\$17,602,868	\$16,243,501	
	<u>\$17,602,868</u>	<u>\$16,243,501</u>	
	<u>\$51,538,431</u>	<u>\$47,913,611</u>	

NOTE: Government and Provincial bonds are stated at amortized value. All other securities are stated in the aggregate.

RAY T. BIRKS, *Chairman of the Board.*

Approved on _____
NIELS F. P.

BALANCE SHEET

December 31, 1965

LIABILITIES

ccount

	1965	1964
Capital Stock:		
Authorized: 200,000 shares of \$10.00 each - - -	\$ 2,000,000	\$ 2,000,000
Issued and fully paid: 112,824 shares of \$10.00 each	1,128,240	1,128,240
Reserve fund - - - - -	1,375,000	1,350,000
Profit and loss - - - - -	52,427	53,663
	2,555,667	2,531,903
Mortgage reserve - - - - -	175,000	81,000
Income taxes payable - - - - -	21,872	58,766
Dividend payable - - - - -	56,412	56,412
Accounts payable - - - - -	16,998	17,184
	<u>\$ 2,825,949</u>	<u>\$ 2,745,265</u>

ust Account

Guaranteed trust certificates, including accrued interest -	\$24,549,885	\$23,280,709
Trust deposits - - - - -	6,559,729	5,644,136
	<u>\$31,109,614</u>	<u>\$28,924,845</u>
Total Capital and Guaranteed Liabilities - - - - -	<u>\$33,935,563</u>	<u>\$31,670,110</u>

Agencies Account

Estates, trusts and agencies under administration - - -	\$17,538,639	\$16,187,357
Advances from capital account - - - - -	64,229	56,144
	<u>\$17,602,868</u>	<u>\$16,243,501</u>
	<u>\$51,538,431</u>	<u>\$47,913,611</u>

at not exceeding quoted market value.

of the Board:

N, President.

H. T. BURGESS, Vice-President.

OFFICES

TORONTO, ONTARIO

372 BAY STREET

T. GORDON TAYLOR, *General Manager*

BARRIE, ONTARIO

35 DUNLOP STREET

J. A. SHUTE, *Branch Manager*

ORILLIA, ONTARIO

73 MISSISSAGA ST. E.

B. M. HEWITT, *Branch Manager*

REGINA, SASKATCHEWAN

ROSE AND 11TH STREETS

W. A. FOWLIE, *Branch Manager*

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accounts of The Sterling Trusts Corporation for the year ended December 31, 1965. In accordance with the provisions of the Trust Companies Act (Canada) we have to report that we have obtained all the information and explanations we have required and, in our opinion, the accompanying Balance Sheet as of December 31, 1965 is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as of December 31, 1965 according to the best of our information and the explanations given to us and is as shown by the books of the Corporation.

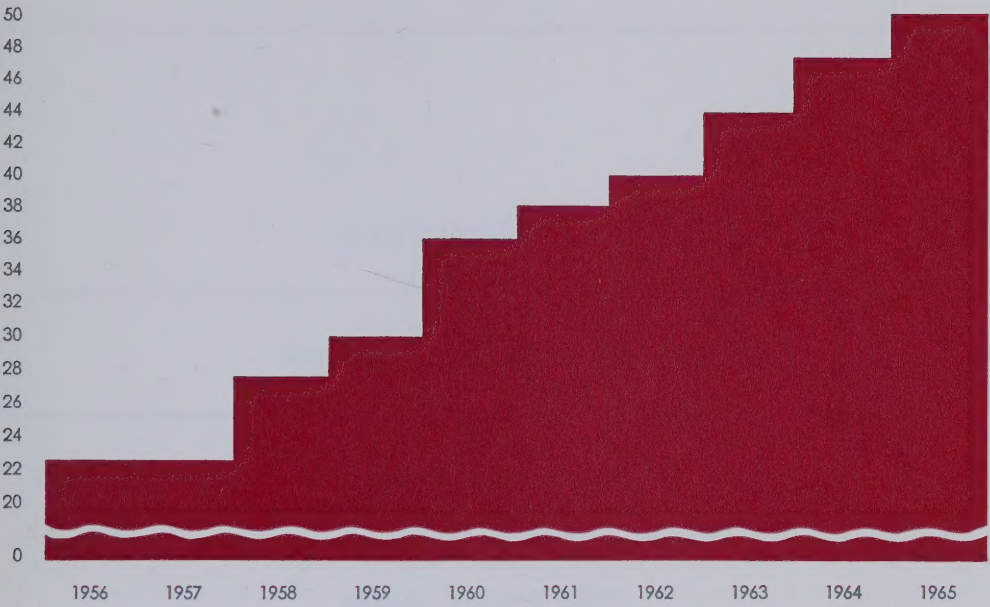
The securities and funds held for the Guaranteed Trust and Estates are earmarked and kept separate in the books of the Corporation.

TORONTO, ONTARIO, January 17, 1966.

PEAT, MARWICK, MITCHELL & CO.,

Chartered Accountants.

TOTAL ASSETS *in millions of dollars*



COMPARISON GROSS PROFITS, NET PROFITS
AND CORPORATION TAXES *in thousands of dollars*



SERVICES

Estates Department

Guaranteed Trust Account

Savings Department

Safe Deposit Boxes

Real Estate Department

Property Management

Corporate Trust and Transfer Department

Financial Agency

Mortgage Department

Retirement Savings Plan
